FAS REPORT

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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 3-84

WASHINGTON, Jan. 18--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

To avert financial collapse, the EUROPEAN COMMUNITY (EC) has proposed raising 1984 support prices by an average of only 0.75 percent. Cereal prices, with the exception of durum wheat and rice, would be frozen after raises of 3 percent in 1983 and 8.5 percent in 1982. The proposed price package would put the support price for bread wheat at about $185 per ton, compared with the U.S. wheat loan price of about $121 per ton. Last year's modest increase was viewed as a potential disincentive to excess grain production, but poor weather was the bigger deterrent to another record EC grain harvest.

GRAIN AND FEED

CANADIAN total wheat payments in 1982/83 have fallen for the second season in a row. The Canadian Wheat Board announced a final payment of C$17.84 per ton for No. 1 Canadian Western Red Spring (CWRS) marketed in August-July 1982/83, bringing the total payment for No. 1 CWRS to C$192.34 per ton (about US$156 per ton). This payment is 4 percent below last season's payment and 15 percent below the 1980/81 level. Initial payments are announced each season prior to planting and have been set at roughly 80 percent of expected final pool returns. The final payment depends on actual revenues from domestic and international sales minus the Board's marketing costs. The Canadian initial payment for 1983/84 is C$170 per ton (about US$138 per ton) compared to the 1981/82 and 1982/83 payments of C$174.50 per ton (about US$141 per ton). Lower initial payments increase the Canadian Wheat Board's pricing flexibility and reflects pessimism concerning world wheat prices during 1983/84.

Last season's low barley returns resulted in no final payments for barley producers. Initial payments were set at C$110 per ton (US$89 per ton), and proved to be too high as market conditions weakened over the season. In fact, the regular barley pool reportedly ended the 1982/83 season with approximately a C$5.5-million deficit (about US$4.5 million). The federal government is liable for the difference between the initial payment level and selling prices if the Board suffers a loss.

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OILSEEDS AND PRODUCTS

The proposal by the Foreign Trade Department of the BANCO DO BRAZIL (CACEX) to withdraw financing for the export of soybean meal and soybean oil is currently awaiting approval of the Monetary Council. The list of products eligible for financing in 1984 under new resolutions is expected to be issued shortly by the Ministry of Finance. In recent years, the amount of money provided under the financial program for soybean product exports has been reduced to the point where 7 percent of soybean meal and crude soybean oil and 9 percent of refined soybean oil exports have been financed with program funds. Most observers believe that the elimination of soybean product financing from the program will probably not have a major impact on the mix of soybean product exports.

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Effective January 4, ARGENTINE export taxes applied to sunflower meal and oil and soybean meal and oil have been revised upward. The export taxes are as follows in percent:

Product	Previous tax	Current tax
Sunflower meal	15	17
Sunflower oil	10	14
Soybean meal	10	13
Soybean oil	10	13

The export tax on soybeans and sunflowerseed remains at 25 percent. Preliminary information indicates Argentina initiated this tax increase to capture some of the recent price increases of these commodities.

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JAPAN's Ministry of Agriculture, Forestry and Fisheries (MAFF) recently released its fiscal year 1982 (April 1, 1982 to March 31, 1983) food balance sheet indicating the annual per capita consumption of selected foods. MAFF statistics indicate fiscal 1982 per capita consumption of fats and oils reached a record level. The percentage of total fat supplied by vegetable oil also reached a new high at 43.5 percent with per capita soybean oil consumption in fiscal 1982 increasing 6.3 percent above the previous year.

COTTON AND FIBERS

In SYRIA, cotton production during the 1983/84 season is estimated at a record 896,000 bales, up 23 percent from last season. The crop benefitted from excellent weather conditions, continued use of improved varieties and good management techniques. Yields are expected to register a 15-percent increase over the 1982/83 crop to a record level.

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The 1983/84 GREEK cotton crop is estimated at 643,000 bales, 47 percent greater than last year's reduced harvest. The increased output is attributed to favorable weather conditions during harvest and the use of improved seed varieties.

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The 1983/84 GUATEMALAN cotton crop is estimated at 300,000 bales, 9 percent below previous expectations due to rising production costs, particularly for pesticides. Still, with higher yields this season, production may be 43 percent above the poor outturn of 1982/83.

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TURKEY's 1983/84 cotton crop is estimated at 2.4 million bales, approximately 6 percent above last year's outturn, according to the U.S. agricultural attache in Ankara. Increased output resulted from exceptionally favorable weather conditions during ripening and harvest time in the Aegean and Antalya districts. Yields are expected to be a record 855 kilograms per hectare.

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PAKISTAN is expected to import nearly 10 percent of its cotton requirements as a result of the significantly reduced cotton crop and a growing domestic textile industry. This represents the largest quantity of cotton imports to Pakistan on record. Moreover, the United States is expected to be a major supplier to Pakistan with current export sales in excess of 40,000 bales.

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Reflecting a further tightening in the domestic supply situation, BRAZIL's exports of raw cotton in 1983/84 are now expected to drop below 200,000 bales, a decline of about 700,000 from the 1982/83 level. Furthermore, limited supplies of cotton have prompted substantial imports and strong advances in local raw cotton prices, thus hampering consumption prospects for the Brazilian textile industry.

FRUITS AND NUTS

WORLD commercial production of almonds in 1983 has been revised downward to 184,400 tons (shelled basis), 6 percent below the preliminary September estimate of 196,200 tons. Weather damage to the Spanish crop was more extensive than originally reported, and output is now placed at 30,000 tons, one-half the 1982 volume and 14 percent less than the initial 1983 estimate of 35,000 tons.

World commercial production of filberts in 1983 is estimated at a record 509,000 tons (in-shell basis), despite smaller than anticipated crops in Spain and the United States. While the Spanish crop of 32,000 tons is still the second largest on record, the disease-damaged 7,000-ton crop in the United States is the smallest since 1976.

World commercial pistachio production for 1983 is estimated at 84,600 tons (in-shell basis), 41 percent above the 1982 level. The Greek harvest has been revised to a record 2,600 tons. The Iranian crop is projected to reach 39,000 tons, 73 percent greater than the 1982 outturn, a reasonable increase in view of the cyclical nature of this particular tree nut. Drought conditions in Italy late in the season dampened early expectations of a record crop, and the estimate has been reduced to 4,500 tons.

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World commercial walnut production for 1983 has been revised to 296,900 tons (in-shell basis), 2 percent above the October estimate but still 15 percent below the large harvest in 1982. The French crop is now projected to reach only 17,500 tons, 44 percent less than the bumper 1982 harvest. Production prospects were sharply reduced by extensive storm damage exacerbated by the fact that 1983 was an "off-year" in the bearing cycle.

TREE NUTS: COMMERCIAL PRODUCTION IN SELECTED COUNTRIES
(In 1,000 tons)

Almonds (Shelled)	1981	1982	Revised 1983 Estimate
Italy	25.0	16.0	27.0
Morocco	4.8	3.5	5.6
Portugal	3.5	4.2	3.5
Spain	80.0	60.0	30.0
Turkey	10.7	11.0	11.7
United States	185.1	157.4	106.6
Total	309.1	252.1	184.4

Filberts (In-Shell)	1981	1982	Revised 1983 Estimate
Italy	80.0	115.0	100.0
Spain	18.0	14.0	32.0
Turkey	350.0	200.0	370.0
United States	13.3	17.1	7.0
Total	461.3	346.1	509.0

Pistachios (In-Shell)	1981	1982	Revised 1983 Estimate
Greece	2.3	1.6	2.6
Iran	41.5	22.5	39.0
Italy	4.5	0.2	4.5
Syria	9.2	8.0	11.5
Turkey	21.0	8.0	15.0
United States	6.6	19.7	12.0
Total	85.1	60.0	84.6

Walnuts (In-Shell)	1981	1982	Revised 1983 Estimate
France	10.0	31.0	17.5
India	17.0	18.0	20.0
Italy	13.0	12.0	12.0
Turkey	70.0	75.0	75.0
United States	204.1	212.3	172.4
Total	314.1	348.3	296.9

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LEBANON's 1983/84 citrus crop totaled 295,000 tons, down 13 percent from the revised 1982/83 estimate of 340,000 tons, according to the U.S. agricultural attache in Damascus. The production decline is attributed to the present security situation, which has hindered the tending, harvesting and marketing of the crop, as well as destroyed citrus orchards. The Lebanese government has reacted to the situation by providing producers with low interest 10-year loans and by providing export subsidies. Production by fruit type is estimated as follows in 1,000 tons:

	Revised 1982/83	Estimate 1983/84
Oranges	225	200
Tangerines	40	35
Grapefruit	25	20
Lemons	50	40
Total	340	295

Selected International Prices

Item	Jan. 17, 1984		Change from previous week	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%11/	200.50	5.46	N.Q.	200.00
U.S. No. 2 DNS/NS: 14%....	192.50	5.24	-.50	186.25
U.S. No. 2 S.R.W..........	161.00	4.38	--	159.00
U.S. No. 3 H.A.D.11/.....	208.00	5.66	+2.00	171.00
Canadian No. 1 A: Durum.11/	208.00	5.66	-1.00	194.50
Feed grains:				
U.S. No. 3 Yellow Corn....	153.50	3.90	-2.25	119.00
Soybeans and meal:				
U.S. No. 2 Yellow.........	302.00	8.22	-6.25	237.25
Brazil 47/48% SoyaPellets 4/	251.50	--	-8.50	234.00
U.S. 44% Soybean Meal.....	232.00	--	-6.00	217.50
U.S. FARM PRICES 5/				
Wheat.....................	N.Q.	N.Q.	N.Q.	130.07
Barley....................	105.18	2.29	--	64.30
Corn......................	125.19	3.18	--	90.94
Sorghum...................	111.33	5.05 4/	-.44	92.37
Broilers 7/...............	1346.13	--	+39.02	N.Q.
EC IMPORT LEVIES				
Wheat 8/.................	59.45	1.62	-3.30	108.05
Barley....................	33.05	.72	-11.00	115.05
Corn......................	39.75	1.01	-1.35	111.20
Sorghum...................	53.90	1.37	-2.10	104.80
Broilers 9/...............	N.Q.	N.Q.	N.Q.	N.Q.
EC INTERVENTION PRICES 10/				
Common wheat(feed quality)	167.25	4.55	+1.60	188.20
Bread wheat (min. quality)10/	182.65	4.97	+1.70	207.60
Barley and all other feed grains.......	167.25	--	+1.60	188.20
Broilers 11/..............	N.Q.	N.Q.	N.Q.	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	26.60	.72	-6.35	81.05
Barley....................	27.80	.61	-4.10	N.Q.
Broilers 9/...............	N.Q.	N.Q.	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine. 3/ Based on selected major markets and adjusted to reflect farm prices more closely. 4/ Hundredweight (CWT). 5/ Twelve-city average, wholesale weighted average. 6/ Durum has a special levy. 7/ EC category--70 percent whole chicken. 8/ Reflects lower EC export subsidy-down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 9/ F.o.b. price for R.T.C. broilers at West German border. 10/ Reference price. 11/ April-May shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis February delivery.

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